ALGONQUIN PROVINCIAL PARK

ECONOMIC IMPACT STUDY

ONTARIO

DEPARTMENT OF LANDS AND FORESTS

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Economic Impact Study

of

Algonquin Provincial Park

prepared for the

Department of Lands and Forests
Ontario

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P.O. Box 1032, Station B,
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FOREWARD

The following report was prepared for the Department of Lands and Forests by an independent consulting firm in order to assess the current economic impact of Algonquin Provincial Park on the economies of the local area and the Province. As one of a series of social, scientific and technical studies being carried out over the next several years for imput into the master planning process, the scope of this study was limited to the economic activities related to the resources of the Park.

At this time I would like to extend my appreciation to all those individuals and firms who co-operated with the consultant in carrying out this study, and to the consultant for his excellent efforts on our behalf.

In view of the interest in this study and Algonquin Provincial Park shown in the Public Hearings last winter and in the continuing correspondence we have received, I am pleased to make this report available in its entirety to those interested in the management of our natural resources. I hope this report will contribute to a fuller understanding of the role of the Park in Ontario.

Rene Brunelle,
Minister.

Summary and Conclusions

Income Generated by Algonquin Provincial Park
(000's)

Description	Total Local Impact $	Total Ontario Impact $
Cottagers	390	880
Youth Camps	360	1,730
Campers	1,420	3,380
Day Visitors*	120	300
Other Day Visitors**	1,450	3,450
Forest Industry	13,190	41,200
Government	380	850
Total	17,310	51,790

*One who begins and ends his trip at home or outside the local impact area.

**One who spends one or both nights contiguous with his park visit in the local impact area, not at an Algonquin Park campsite.

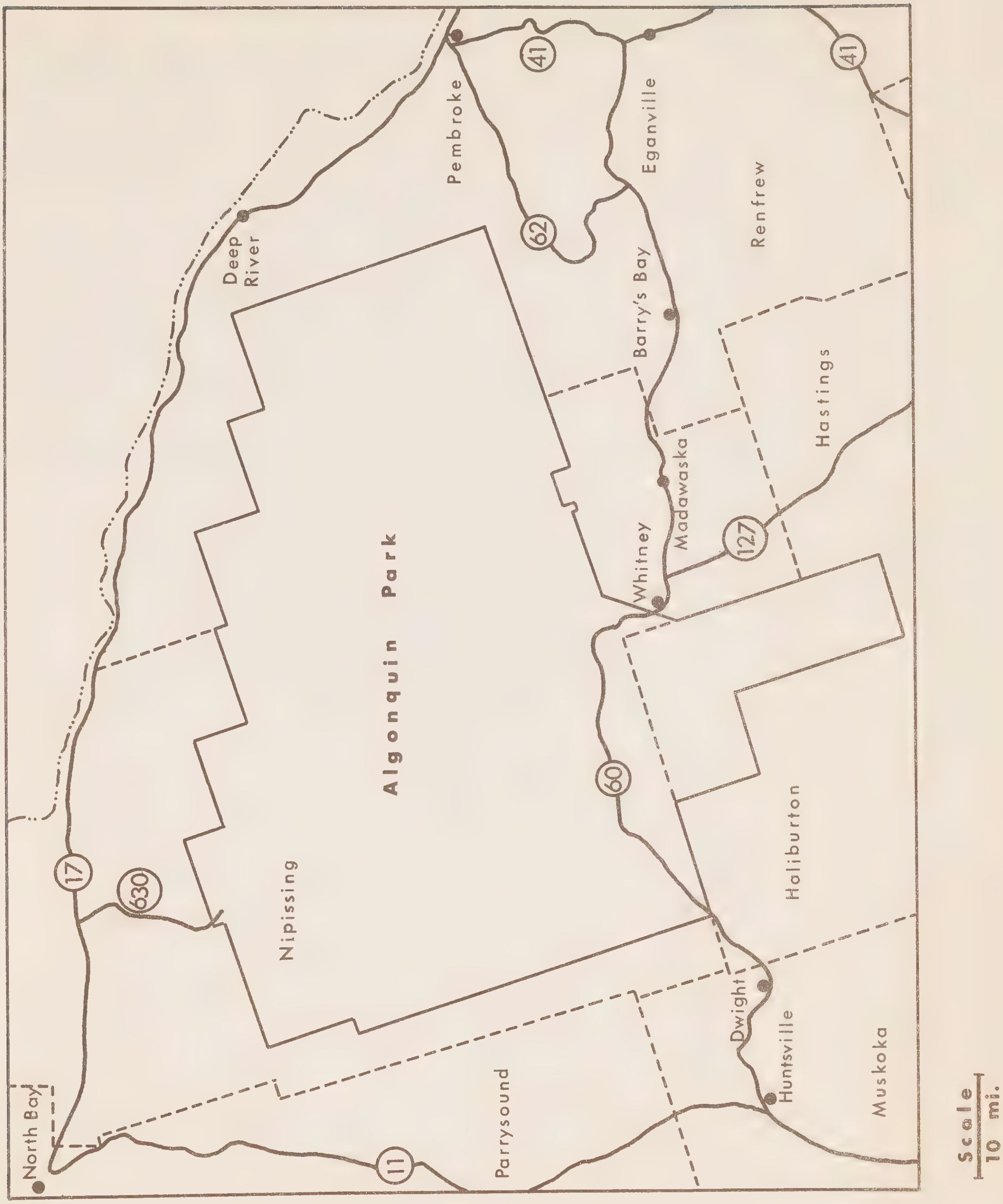
1) The local impact of Algonquin Provincial Park is approximately $17,300,000.

2) The Provincial impact is almost $52,000,000.

3) The Forest Industry contributes over 3/4 locally and 4/5 of the provincial impact.

4) Visitors have a low expenditure rating. The greatest contributor is the other day visitor who is not accommodated in the Park, but uses it as a focus for his recreation.

Algonquin Park & Economic Impact Area.



Map 1.

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Objective

The objective of the study is the determination of the economic impact of Algonquin Provincial Park locally and in the province. Park service will not be measured but rather the income associated with them. No attempt has been made to measure the social benefits of the Park. This study is complementary to the scientific and Master Plan Studies now being conducted by the Parks Branch and as such, it is designed to provide specific input for the master plan.

Methodology

The methodology consisted of interviews, discussions with interested parties, a literature search and several field trips to the area.

Interviews with the forest industry, youth camps, outfitters, lodges, etc. took place during the week of July 21, 1969, conducted by the consultant and officials of the Department of Lands and Forests. Certain statistical data was mailed in later at the respondents' convenience. Cottagers were canvassed by mail during the week of August 29, 1969 and returns were cut off September 24, 1969.

During July and August, discussions were held with the Parks Branch officials, representatives of various industries, local trades and service people and other consultants.

Over 50 questionnaires were personally distributed by a member of the department to a selected sample of businesses catering to tourists. The respondents included 7 youth camps, 4 lodges and 2 outfitters in the Park. However, unlike the surveys covering forest industry licencees and park leaseholders, the response by business outside the park was so poor (5) as to be virtually useless in impact determination.

The literature search covered Dominion Bureau of Statistics data, Financial Post Survey of Markets, reports and documents supplied by the Department of Lands and Forests, provincial surveys of tourism patterns, governmental expenditure data and so on. There is very little useful park impact data available in Canada and consequently, previous U.S. studies' data was employed to complement it where necessary.

Description

Algonquin Provincial Park lies in the northern part of

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southern Ontario, within the curve of water formed by Georgian Bay, Lake Nipissing, and the French, Mattawa and Ottawa Rivers. It is located in Haliburton County and Nipissing District. The Park stretches 74 miles east and west, roughly 66 miles north and south, and covers 2,910 square miles. It is roughly 280 miles to the nearest gate from Montreal, 160 from Toronto and about 150 from Ottawa. It is surrounded by 50 private parks which may be appendages of it and eight smaller provincial parks.

It has a high degree of mixed use. It provides recreational facilities for canoeists, swimmers, campers, fishermen, hunters, hikers and everyone else who wants closeness with nature. Algonquin provides nature to the recreationist in the degree wanted. Experienced canoe trippers, hikers, and campers use the primitive interior, while those less stimulated by the wilderness can recreate on the fringes of it. For those whose tastes are less in wilderness life, but are more interested in the life within it, the park provides nature trails, conducted tours and "group" recreation which is important to families with small children. For people uninterested in the rougher aspects of outdoor life, or those wanting more of the amenities, there are several lodges.

Another group of recreationists are the cottagers and many families have leases in the park dating from early in the century. Their participation in the life of the park is based on tradition. Several youth camps also hold leases in the park which provide recreation for upwards of 1,000 youths each summer. Visiting parents and friends are also attracted to the park as a result.

Obviously Algonquin has an appeal for many recreation groups and it is this uniqueness which makes it a national and international attraction. Few parks anywhere can compare to it. Algonquin does not supplement recreational experience, it is the experience. It has become the focal point for recreation in the area and is responsible for much of the tourism expenditures in the surrounding districts.

Algonquin Provincial Park

Any flow of "park traffic" out of Southern Ontario would inevitably be attracted to Algonquin by its "enroute proximity". So the popularity and success of Algonquin will probably ensure the growth in stature of other provincial parks.

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Algonquin is close to the main Canadian metropolitan centres of Toronto, Montreal and Ottawa but it is also within a reasonable distance of the densely populated areas of the Eastern United States. It is approximately 500-700 miles from the seaboard cities of Boston, New York and Philadelphia, and is particularly attractive to travellers from Cleveland, Detroit and other midwest Urban Centres.

The importance of the East-West road is seen on Map 2. The campgrounds are all in the vicinity of this road. The use of the park and, therefore, its economic impact are both concentrated here. The northern impact through Kiosk is negligible.

Visitors have a strong tendency to follow facilities and will cluster around the most easily accessible campsites and supply centres. It is apparent then that facilities govern visitor progression and this is where their economic impact is felt.

Recent studies and observation indicate that park visitors spend according to park characteristics. That is, they spend in direct relation to the facilities available, and National Parks normally have more to offer the visitor.

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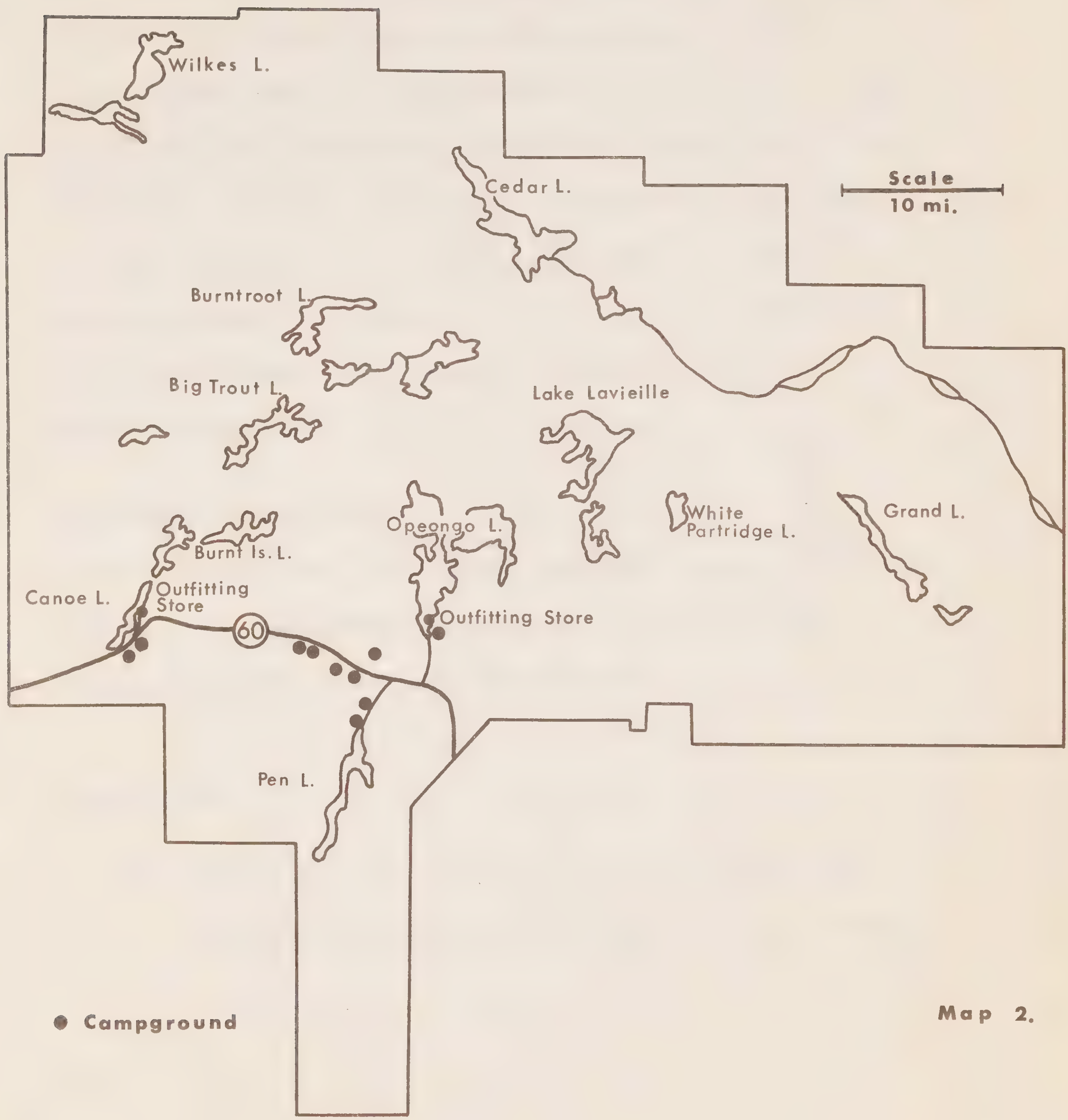
Algonquin Provincial Park.



Map 2.

A cursory examination indicates that visitor expenditures in Algonquin are higher than in other Provincial Parks.

The camper group has grown quickly in the past few years through the broadest socio-economic spectrum. Their expenditures were not surveyed because it is costly, time consuming and a satisfactory study was carried out by the department in 1966. This group is included on the basis of data developed at that time. Moreover, the major economic impact of campers is at the point of purchase of their camping equipment, canoe, automobile, etc. not at the Park site.

Cottagers were surveyed by a mail questionnaire. Tourist lodges, youth camps and tourist suppliers were interviewed personally. The Forest Industry was also personally interviewed, and their response was good.

Assumptions

1) The reader is familiar with all the basic facts and characteristics of Algonquin Provincial Park.

2) Visitor statistics accurately reflect the actual park visitors.

3) The base year, 1968, is representative for all groups contributing to the park's impact.

4) The rumoured future policy changes within the Park as known in 1968 are assumed to have had no effect on the spending patterns of the various groups mentioned.

5) Since there is a lack of opportunity for a differentiation in spending and consumption patterns of Canadians and Americans, it is assumed that the patterns are identical.

6) The infrastructure of the Park revolves around an east-west axis, and it is assumed that the economic impact moves in this direction, which, in practical terms, means between Huntsville and Pembroke.

7) Road, utility and railway costs are not considered. In view of the "bridge" function of all communications,

it is difficult to attribute costs to any single point on the line. Therefore, they have been excluded.

8) It is further assumed that the responses are representative opinions. The consultant has attempted to present a faithful portrayal of candid opinions.

9) Research stations were excluded.

The purpose of the report and the date collection is to develop and analyze all income which has a causal relation to the existence of Algonquin through the expenditure patterns of Tourism, the Forest Industry and Government. The consultant has attempted to exclude economic impacts which cannot be attributed directly to the existence of Algonquin Provincial Park, or do not funnel through the local economy. The Consultant considered studying other similar areas and developing park impact through comparative analyses, but it was not feasible because of the vast difference between Algonquin's resources and those available elsewhere. This approach was therefore discarded.

Social benefits will not be dealt with. It is obvious that Algonquin is vital to many youth camps both inside and outside the park, judging from their use of facilities. The camps undoubtedly stimulate tourist activity in the Algonquin area which unquestionably has a positive effect on the public image of the Park's program. Since this aspect of park activity requires an "in-depth" study of another type it falls outside the scope of the consultant's present term of reference.

Economic Impact

The economic impact region of the park is the area in which its presence exerts a direct economic influence which is both measurable and meaningful. The limits of this area were selected on the basis of the travel patterns, markets, road infrastructure and population groupings. The stimulus of the Park will diffuse throughout a large region which supercedes provincial and national boundaries, however, the impact is in inverse ratio to the distance.

Generally speaking the more developed the area the greater the respending within it. Money rarely stagnates and in an active well-developed economic structure there are

obviously greater opportunities for its use, either for investment purposes or as discretionary spending. In an undeveloped economy there are few possibilities and the money must be respent outside its area of original expenditure providing "leakages", which is a permanent economic pattern in many underdeveloped areas. In these somewhat depressed areas respending possibilities are simply non-existent. The local Algonquin impact area follows this pattern as will be illustrated later. Respending effects can echo over several "Rounds" of expenditure providing the development of the economy is sufficiently varied to retain the demand for other goods and services within it. This respending enriches the economy but where goods and services must be bought elsewhere the "leakages" and resulting weaker economy exist.

Dollars were used instead of jobs because, as stated elsewhere, extra expenditure does not create a full job in any one sector, but may utilize unused capacity, provide overtime work, keep an operation viable or create a series of part-time jobs. A job is worth twice as much in some areas as in others and because of this, it is difficult to use job numbers as a general indicator. It is recognized

that part-time and seasonal jobs are vital to families living in underdeveloped areas, and are preferable to welfare assistance payments. However, their overall economic impact should not be overrated.

The economic impact of the park can only be measured in that money which the local economy absorbs. Therefore, the only figures which we are using in this study are: a) tourist spending; b) cottager spending; c) youth camp spending; d) government spending; and, e) industry spending. Insofar as the latter two are concerned, we are using wages which are spent locally as well as local purchases, maintenance and other expenditures. In all cases, we measure the money which is actually spent. In other words, where wages and salaries are concerned we are taking the respent portion of the net salaries.

The provincial impact has to be treated differently in that it must include all provincial spending. This provincial multiplier can range from 2.5 to 3.5. Since it is not known exactly, a multiplier of 2.5 will be used as suggested by provincial economists in the Department of Treasury and Economics. This multiplier is an average of various sectoral multipliers. It is also used by the

Department of Tourism and Information.

Algonquin falls into the county of Haliburton and the Territorial District of Nipissing, but the east-west road infrastructure between Huntsville and Pembroke brings the Territorial District of Muskoka and Renfrew County into the economic interplay. Therefore it is these two districts and two counties which make up the general economic background area of the park and for which data is available.

Most of the impact is in the service section as shown by the local expenditure patterns. There is an impact felt in the Southern Ontario region which supplies the capital equipment used in the park impact area and is also the management and control centre.

Huntsville's economy is visitor-oriented. It is the focal point for the mass of tourists from Southern Ontario and the mid-west states enroute to the park or visiting the Muskoka region. Not surprisingly industry in the area is negligible and a cursory inspection of the town reveals an obvious reliance on tourism. Both Muskoka and Algonquin

have an influence on Huntsville's development but it is difficult to define each with accuracy. Pembroke, on the other hand, has developed around the forest industries and derives some economic impact from Canadian Forces Base, Petawawa. The whole impact area is not particularly healthy and although tourism is a great contributor to the economy, its seasonality reduces its effectiveness.

The basic economic impact is felt in an area which stretches from Huntsville in the west, to Pembroke in the east, and the immediate borders of the Park. It is obvious that some spill-over occurs in North Bay from the Kiosk area and also Gravenhurst and Barrie. However, in view of the economic influences which affect the area, it was decided to limit it. It is obvious that the through traveller will generally follow the Huntsville-Pembroke route and will rarely deviate, so the resulting impact must be felt along the east-west axis.

Economic Profile

The following table shows the anomalies of tourism. Haliburton and Muskoka are probably more tourist-oriented

than the other areas but significantly they provide lower taxation revenues than either of the others.

Table 1

Comparison of Local Impact Area
Income Tax Data with All Ontario - 1966

	All Ontario	Haliburton	Muskoka	Nipissing	Renfrew
Taxable Income in Millions	$14,334.5	$ 8.8	$ 40.3	$100.3	$111.5
Average Income Per Taxpayer	$ 4,686	$3,448	$3,554	$4,086	$3,902
Average Tax Per Taxpayer	$ 653	$ 374	$ 441	$ 502	$ 484

Source: Financial Post Survey of Markets 1968/69.

Retail Trade

Low population and sales per store (as shown in the following table) in Haliburton and Muskoka, coupled with a high ratio of sales to disposable income, illustrates graphically the area's dependence on visitor spending.

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This also indicates a plethora of small stores which are owner-operated.

Table 2

Comparison of Local Impact Area
Retail Sales to All Ontario - 1967

	All Ontario	Haliburton	Muskoka	Nipissing	Renfrew
Population Per Store	142	66	72	134	121
Approximate number of Stores	52,157	115	389	523	743
Sales Per Stores	\$175,000	\$87,500	\$102,500	\$146,500	\$135,000
Retail Sales as a percent of disposable income	55%	90%	108%	53%	62%

Source: Financial Post Survey of Markets 1968/69

The astonishingly high ratio of retail sales to disposable income, recorded by both Haliburton and Muskoka, reflects tourist impact. The low income in both areas is attributable to economies based on the limited development in the tourism sectors. The economic life of much of the area is seasonal,

and, as a matter of fact, very little is being done to exploit the winter season sport potential which is one solution. This will come, of course, but it is relatively undeveloped at the moment.

In such an economy there is an easy rationale that tourism provides jobs. Many jobs which tourism has provided merely complement the income of a person working elsewhere in the other seasons of the year. They have a theoretical impact as they show up on the statistics as a full-time job, not as a temporary job providing a supplemental income. This gives the illusion of greater employment and the false expectation of a greater local prosperity. Two separate jobs shown in employment statistics should involve two people when, in fact, only one person was involved. Positions which are part-time and seasonal reflect an undeveloped economy easily affected by minor fluctuations.

Some of the temporary positions are held by housewives who supplement family income. The money is derived and spent locally, thus there is a local impact. If the part-time work is an alternative to government sponsored

welfare, it undoubtedly is beneficial. "Mom and Pop" motels and cabins provide jobs for the whole family, but scarcely provide true full-time jobs in the common sense of the term, nor are salaries recorded in a normal sense. Summer students' salaries are generally spent in a university town over the winter and provide an impact there. Often retailers and other tourist facilities are owner-operated and locals and outsiders help fill out the labour needs. Doubled sales do not necessarily mean doubled employment over any period since there is a great deal of unused capacity in the tourist plant. Nor is part-time casual help well paid. Thus the rule of thumb that $10,000 of tourism spending equals one job is not applicable in this instance.

The economic effects of the forest industry are concentrated in Nipissing and Renfrew. Although some impact is felt in the rest of the region it is not as dominant as here.

The local economic impact area is of a forest and tourist-oriented nature, and there seems to be only fragmentary economic activity apart from this. Without Algonquin the

economy would be less seasonal by reducing the summer peak while leaving the winter low relatively unchanged.

Table 3

Local Impact Area Retail Sales by Type as Percentages of Canada Total

Total Retail Sales as Percentage of all Canadian Retail Sales	Haliburton	Muskoka	Nipissing	Renfrew
Population (Norm)	.04	.14	.37	.44
Total Retail Sales	.04	.17	.35	.42
Grocery	.03	.19	.36	.37
Clothing	.03	.11	.42	.39
Motor Vehicles	.04	.10	.33	.37
Furniture	.01	.06	.39	.33
Hardware	.07	.37	.35	.47
Drugs	.03	.11	.26	.34

Source: Financial Post Survey of Markets 1968/69

Using the percentages of Canadian population as a norm, certain downtrends are obvious, indicative of lower retail expenditures, some outside purchasing and an unbalanced

purchase pattern. Canadian Retail Sales were used as the norm because this is a standard measurement unit.

Grocery sales in Haliburton and Renfrew are slightly below norm, suggesting that small farming takes care of some local needs. Muskoka's grocery sales are above norm by 2 points, probably showing the impact of cottager and camper purchases.

Hardware sales are high. Stores in this area normally stock camping equipment, hunting and fishing gear and supplies for cottage repair and maintenance. In short it reflects visitor dependence. Nipissing relies on non-tourist industries and shows a normal percentage.

Clothing and furniture sales are below norm, except in Nipissing, another indication of the better economic balance in that area, coupled with the urban tastes developed in North Bay.

Muskoka's retail sales percentage is three points above its population percentage and, in view of its disposable income, it is obvious that the difference reflects visitor impact. The retail sales percentages of Nipissing

and Renfrew are just slightly below the level of their population, however, in relation to Haliburton and Muskoka this represents a more developed economy. Haliburton sales and population only appear to balance out. The previous table indicated a lower consumption rate for drugs, furniture, clothing, and groceries, visitor spending making up the difference in other sectors.

Table 4

Ontario and Local Impact Area Comparisons of Per Capita Sales and Income 1967

	Ontario	Haliburton	Muskoka	Nipissing	Renfrew
Per Capita Retail Sales	$1,250	$1,310	$1,430	$1,110	$1,120
Per Capita Disposable Income	$2,260	$1,460	$1,320	$2,100	$1,800
Income Rating Index (Canada = 100)	111	72	65	103	88

Source: Financial Post Survey of Markets 1968/69

The above table indicates the great external impact on the

economies of Muskoka and Haliburton. The per capita income of the province is $2,260 and average per capita sales $1,250. Per capita income in Muskoka is $1,320 which is exceeded by per capita sales of $1,430. Only expenditures by outsiders in the region can create this situation.

The income in Haliburton is $1,460 and sales are $1,310. This small difference of $150 is the result of tourist expenditures. The provincial per capita difference is about $1,000. Nipissing and Renfrew trail the overall provincial difference, but not significantly.

Table 5

Comparison of Local Impact Area of Industrial Rating and Per Capita Income to All Ontario

	All Ontario	Haliburton	Muskoka	Nipissing	Renfrew
Industrial Rating Index (Canada = 100)	153	28	16	53	56
Per Capita Disposable Income	$2,260	$1,460	$1,320	$2,100	$1,800

Source: Financial Post Survey of Markets 1968/69

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Ontario, as Canada's highest industrialized province, shows an index of 153, well above the local impact area. The low indices in Muskoka and Haliburton are reflected in their low per capita incomes.

Table 6

Comparison of Local Impact Area Manufacturing Data to All Ontario - 1965

	All Ontario	Haliburton	Muskoka	Nipissing	Renfrew
Manufacturing Plants	12,766	18	50	76	130
Employees	774,428	252	519	2,818	5,174
Employees per Plant	61	14	10	37	39

Source: Financial Post Survey of Markets 1968/69

The average Ontario plant employs 61 people, Muskoka and Haliburton employ only 10 and 14 employees per plant, respectively. Nipissing and Renfrew are higher, but far below the provincial average and illustrate the small business nature of the impact area. This area has enjoyed little growth in population while Ontario as a whole has grown 25% in the past ten years.

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Agriculture

This table illustrates the agricultural profile of the area.

Table 7

Comparison of Local Impact Area Agriculture to All Ontario 1966

	All Ontario	Haliburton	Muskoka	Nipissing	Renfrew
Farm Population	498,025	747	1,505	3,981	11,292
Number of Census Farms	109,887	158	314	697	2,437
Asset Value of Average Farm	$ 44,447	$15,141	$25,121	$22,690	$23,914
Percentage of Total Land in Census Farm	8.09	4.29	7.23	3.89	34.01
Percent of Farmland in Woodlot	15.90	41.28	47.76	27.48	39.72

Source: DBS Census of Canada - Agriculture 1966.

Although the term "Census Farm" is loosely applied it does give an easily appreciable picture of the economic base

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of the local impact area. (D.B.S. defines Census Farms as holdings of 1 acre or more with agricultural sales of $50 or more in the 12 month period.) Slightly over 8% of Ontario land falls into this classification but Haliburton, Muskoka and Nipissing are below average and Renfrew, a rather small county, far above at 34.01%. Renfrew is also significantly higher in farm woodlot which comprises 13.51% of its area, far higher than the rest of the impact area. Average farm value is low in all locales, but particularly in Haliburton, illustrating the relatively poor farm economy and its resulting poor contribution to the overall economic profile.

Industry and Occupation Divisions

Although only .7% of all Ontario labour is engaged in logging, Barry's Bay, Whitney and Madawaska, show 28.3%, 45.3% and 27.9%, respectively, which indicates their dependence on the forest industry. (This is based on 1961 data, as these were the latest breakdowns available from D.B.S.)

The manufacturing sector shows 26.8% of Ontario's labour force engaged in this sector of the economy, but the APP

areas are all much lower. Pembroke is the highest, 17.3%, due largely to veneer mills and the presence of some secondary industry. Whitney is lowest at 1.7%.

Transportation and communication show broken patterns compared to the total Ontario. Service industry occupations are all higher than the Ontario norm with the exception of Barry's Bay.

Pembroke and Huntsville at the poles of the east-west axis are the largest and most important towns. Each is high in service industries, low in manufacturing and insurance/finance. Trading plays an important role in Huntsville's economy and represents 24.4% of the labour force, compared to the Ontario rating of 15.4% and Pembroke's 14.9%. Communications play a more important role in Huntsville than Pembroke.

The picture here is of a forest dominated economy operating around small towns which cannot provide much except service orientation.

The managerial group is uniformly higher than the Ontario

figure undoubtedly reflecting small businessmen and shop-owners. Clerical and sales people, craftsmen and production workers and miners are generally lower.

The service and recreation group is significantly higher with the exception of Barry's Bay, and since tourists are normally in need of labour intensive services there is no doubt of the dependence of the economy on this industry. Barry's Bay is underdeveloped, its strength lies in logging and labouring.

In relation to the whole of Ontario, Pembroke is very strong in the managerial, professional and service industries groups. It is weaker in the farming, clerical and production groups. Huntsville is also strong in the managerial, professional and service groups but strong in sales as well. It is weak in the clerical, farming and production occupations in parallel with Pembroke. The public administration group is high in Pembroke reflecting the impact of the Canadian Forces Base Petawawa. Since the date is based on towns rather than rural divisions, agricultural occupations are minimal. However, as pointed out in Table 7 and alluded to in the discussion of Table 3,

farming itself is of small importance in the local economic impact area.

Expenditures in the Algonquin Provincial Park Area

Measurement of the economic impact in the park area will include tourist expenditures in the area and salaries and wages paid locally to government employees, lodge employees and youth camp employees.

The nature of the forest based industry is such that most of their head offices are located in Toronto and Montreal, so that these head office or corporate expenditures cannot be taken into consideration. This means that the economic impact in the park's forest industry sector is directly relative to local salaries, wages and contract logging and maintenance expenditures.

Moreover, the small business in the area is normally proprietor-operated with local or outside help brought in during the summer "rush periods". Practically speaking, even owner-operated shops are overstaffed for much of the year, as sales are very slow in the winter, but the slack is taken up in the summer rush period.

Table 8

1961 Labour Force by Industry Divisions (Percent)

	Pembroke	Barry's Bay	Whitney	Madawaska	Huntsville	Dwight	Ontario
Agriculture/All Industry	.4	.5	.0	4.6	.9	4.1	7.0
Logging/All Industry*	1.2	28.3	45.3	27.9	.5	.5	.7
Fishing and Trapping/All Industry	.0	.0	.0	.0	.0	.0	.0
Mines & Quarries/All Industry	.1	2.3	.4	1.5	.1	.5	1.7
Manufacturing/All Industry	17.3	9.7	1.7	1.5	12.3	8.9	26.8
Construction/All Industry	5.9	5.6	4.4	5.7	7.3	12.5	6.4
Transportation & Communication/All Industry	5.9	13.0	13.2	5.7	14.2	11.5	8.1
Trader/All Industry	14.9	15.0	4.4	3.1	24.4	12.0	15.4
Finance and Insurance/All Industry	2.5	1.5	.4	.0	2.8	.0	4.1
Service/All Industry	23.9	17.1	24.6	22.4	27.6	45.0	19.5
Public Administration/All Industry	23.7	2.0	.8	.0	5.4	4.1	7.5
Not Stated/All Industry	3.6	5.8	3.5	3.1	3.8	.5	2.1

*Primary Forestry or Logging

Source: D.B.S. Census of Canada.

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Table 9

1961 Labour Force by Occupation Divisions (Percent)

	Pembroke	Barry's Bay	Whitney	Madawaska	Huntsville	Dwight	Ontario
Managerial/All Occupation	8.6	8.3	7.4	6.9	15.4	20.9	5.4
Professional and Technical/ All Occupation	12.5	7.8	7.0	4.6	10.1	3.1	10.4
Clerical/All Occupation	12.3	5.5	2.6	.7	11.6	3.1	17.1
Sales/All Occupation	6.8	5.5	1.7	.7	10.2	1.5	7.1
Service and Recreation/ All Occupation	19.4	9.0	17.1	14.7	14.4	22.5	12.9
Transportation & Communication/All Occupation	5.9	6.8	7.4	24.0	5.5	1.5	6.2
Farmers/All Occupation	.7	.2	.8	6.2	.9	4.1	2.2
Loggers/All Occupation	.3	15.6	3.0	5.4	.6	1.0	.5
Fishermen, Trappers & Hunters/All Occupation	.0	.0	.0	.0	.0	.0	.0
Craftsmen and Production/ All Occupation	23.6	20.2	31.2	3.8	20.4	21.9	28.4
Labourers/All Occupation	5.0	13.8	17.1	10.0	6.4	18.3	5.4
Miners & Quarrymen/All Occupation	.0	2.0	.4	.7	.0	.5	1.2
Not Stated/All Occupation	4.2	4.7	3.5	7.7	3.8	1.0	2.4

Source: D.B.S. Census of Canada.

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Visitors

An actual definition of types of visitors has never been attempted because there has been no real need to do so. Some general statements have been prepared but they are largely useless because they do not accurately define the categories of visitors.

There is some confusion as to what really happens in the Park because many people who come from Toronto or more distant points visit the park but stay outside it. Very few people are going to drive 350 miles for 2 - 3 hours of park experience. Since a great many of the day visitors who enter the park between 8:00 A.M. and noon come from southern Ontario, it seems improbable that these are day visitors in the real sense of the term.

Table 10

Visitor Breakdown

Description	Number	Source
Visitors Recorded	632,823	1968 Park Statistics
Approximately	630,000	
(36%) through, service, department and non-original	220,000	Hand sample of 1969 Vehicle Survey - Department of Lands and Forests
Total Visitors	410,000	
Campers	115,579	1968 Park Statistics
Wilderness Campers	31,654	1968 Park Statistics
Cottagers & Visitors	30,000	KCAL Survey (Cottages x 7 visitors @ 11.5 trips outside park)
All Day Visitors	235,000	
Day Visitors	80,000	KCAL (1/3 of day visitors est.)
Other Day Visitors	155,000	KCAL (2/3 of day visitors est.)

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Table 11

Park Visitors and Expenditures, 1968

	Number of Visitors	Visitor Days	Expenditure Per Day	Total Local Expenditure	Total Provincial Expenditure
Campers (includes wilderness)	150,000*	479,000 (1)	$2.00	$940,000	$1,350,000 (2)
Cottage Visitors	374 (cot.)	N/A	$705 (Per Season)	260,000	350,000
Day Visitors	80,000	80,000	$1.00	80,000	120,000 (2)
Other Day Visitors	160,000	160,000	$6.00	960,000	1,380,000 (2)

(1) Assumes wilderness campers stayed as long as regular Campers 3.1 days.

(2) See Table 12 which breaks out Algonquin expenditure as approximately 70% of Ontario expenditure.

*Department of Lands and Forests.

Source: KCAL

Although it is probably impossible to prove the exact purpose of the visit to the area or the time spent in park, guests at lodges outside the park are assumed to have visited the park once during their stay. Even though the

park may be the "raison d'etre" for the trip there is always the possibility that the visitors spent time elsewhere or went to the smaller local parks. Lodge and cottage visitors rarely leave Algonquin's boundaries.

Campers are assigned a smaller value based on the 1966 expenditure study and adjusted for inflation.

Camper expenditure data is difficult to check out accurately because expenditures at home and enroute affect many industries in many places. Camping is rather important to many people and probably not for the usual reasons of economy often suggested. Camping equipment is expensive, normally bought at home where the strongest economic impact is felt, but if Algonquin did not exist campers would still camp.

Hunters and fishermen are not broken out because of insufficient data and they are assigned the same expenditure value as other visitors. Wilderness campers have been combined with campers because the 1966 sample was too small (17) to be meaningful. In the case of regular campers, 1966 data was used which showed the

total expenditure of $1.67 per camper day excluding camping permits. This was increased to $2.00 per day to allow for inflationary effects and the increased availability of those commodities, food and fuel, which campers purchase. The $2.00 expenditure was confirmed in discussion with local merchants.

The following table illustrates the visitor impact by aspects of the trip. Recent studies, according to Clawson and Knetsch, show that 40% of visitor expenditures are local, 45% enroute to and from the Park and 15% are made at home.

Naturally, 100% of Park expenditures are made within the Algonquin area. It is estimated by the consultant that 80% of enroute expenditures are made in the province to allow for U.S. and other out of province visitors which is also the assumption made for the "at-home" expenditures, also based on recent studies. Spending in the local impact area represents 70% of the total visitor expenditures made in Ontario.

Table 12

Visitor Expenditure by Trip Aspects

Description	Percent of Total Expenditure		Ontario Spending			Algonquin Area Spending	
Destination	40%	x	100%	= 40%	x	100%	= 40%
Enroute	45%	x	80%	= 36%	x	60%	= 21.6%
Home	15%	x	80%	= 12%			
Total	100%			88%			61.6%

Therefore local visitor expenditures = 70% (61.6% ÷ 88%) of Ontario expenditures.

Source: KCAL

Youth Camps

The camps are the source of $240,000 spent locally, about 1/3 of total revenue. This includes salaries and supplies. Most of their wholesale buying is done in the Toronto area

and the great bulk of the salaries is spent in University towns in the winter. The total Ontario expenditure is $689,000.

Table 13

Youth Camps - Ontario Expenditures & Revenues
(000's)

	Expenditures		Revenue
Fees			$726
Local Supplies	$197		
Local Salaries (Gross) $61,000			
Local Salaries Respent (70%)	43		
Local Expenses		$240	
Other Ontario Supplies	$244		
Other Ontario Salaries	192		
Ontario Gross Profit	13	449	
Total Ontario		$689	$726

The difference of $37,000 between Expenditures and Revenues is attributable to U.S. spending.

Source: KCAL Survey of Camps.

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Table 14

1968 Cottagers Expenditures
($)

	Per Cottage	Total (000's)
Repair	165.14	62
Food	357.06	134
Household	63.30	24
Entertainment	213.89	80
Other Purchases	44.79	17
Transportation	93.31	35
Total Spent	937.49	352
Approximately	935	350
Spent at Home (includes 50% of transportation)	230	86
Spent in Park	705	264
374 Cottages		Approx. 260

Source: KCAL Survey of Cottagers.

This mail questionnaire survey enjoyed a high response due to the interest in the study by the leaseholders. The survey results were prejudiced by a letter written by the President of the Leaseholder's Association outlining suggested response patterns and it is possible that the results are not correct. However, this data was used as the base for calculation. Cottagers were asked to supply 3 years data in order to eliminate the possibility of several major cottage expenditures being lumped in one year and so giving an exaggerated impact.

Forest Industry

This data has been supplied by the firms themselves and adjusted for a 15% factor of non-response and local "trade-offs" between firms.

Table 15

Local Impact Area Forest Industry
Revenues and Expenditures
(000's)

	Expenses $		Revenue $	
Ontario Sales			4,853	
Other Sales			14,041	
Total Revenues				18,894
Local Salaries Net Respent	3,311			
Local General Spending	3,168			
Local Expenses	1,675			
Contract, Logging	1,203			
Total Local Spending		9,357		
Other Ontario Spending	1,493			
Ontario Overhead and Profits	5,631			
Total Other Ontario		7,124		
Totals		16,481		18,894

Note: Differences Between Expenditures and Revenues reflect:
1. Salary deducations for taxes, pensions, unemployment insurance, etc.
2. Spending outside of Ontario.

Source: KCAL Survey of Licencees.

Net Salaries represent actual money which was paid locally after deductions for taxes, pensions, insurance, etc. The portion which is not respent locally represents "leakages" from the economy through purchases in North Bay or Mail Ordering and contributions to Savings Accounts. Savings Accounts by their very nature are used for major purchases or investments which are not necessarily made in the local impact area. Therefore, their impact has been disregarded.

Local expenses cover such items as maintenance, repair and general service work in the Forest Industry and Contract Logging.

It is assumed that 70% of the difference between Sales and Local Expenses in the Forest Industry remains in Ontario. This has been arrived at in general discussions with industry spokesmen but it is difficult even for them, because their records are not organized to easily provide such data. Certainly it will vary from firm to firm because of their corporate location and market orientation, so the 70% factor was selected as an arbitrary compromise between many estimates.

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Table 16

Government Expenditures - Pembroke Area

Net Salaries Respent	1968		
Permanent Staff	$ 73,295		
Local Temporary Staff	104,597		
Park Superintendent Staff	19,915	$197,807	
20% of Non-Local Resident Salaries		13,946	
Sub-Total		$211,753	
Other Material	41,324		
Supplies	13,282		
Park Superintendent Services	4,048		
Sub-Total Locally Spent		$ 58,654	
Total Locally Spent			$270,407
Other Ontario materials/supplies	14,759		
Other Ontario Services	1,476		
Other Temporary Staff	55,705		
Total Other Ontario Spending			$ 72,020
Total Ontario Expenditures			$342,427

*Source: KCAL Estimate based on personal interviews.

Source: Department of Lands and Forests.

Government expenditures in the Park impact area mainly involve wages and salaries paid to park employees. The

table represents their net salaries which are locally respent. The temporary staff, mainly college students, do not respend locally, but in University towns during the winter and only 20% of the net is assumed to be spent locally, but it does have a corresponding 80% Ontario impact. Standard personal purchase patterns are otherwise assumed. Non-park related government expenditures have been excluded.

Multiplier

Any economy whether it be regional or national tends to re-use funds derived from expenditures over and over. The money itself rarely stagnates but rather moves into and lends force to the natural economic flow of that economy. Some of it must flow outside the economy because not all demands for goods and services can be satisfied within a local economy. In all cases the first spending of $1 contributes $1 to the flow. If savings and other "leakages" are at such a rate that only 30% or 30¢ is returned to the economy and that withholding rate is maintained it can theoretically be carried through 5 respending cycles

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before it is finally dissolved. Leakages occur when money must be spent outside the local economic cycle to "import" goods and services into the economy. Leakages vary with the sophistication and development of the economy. An underdeveloped economy based on extractive industries has a low respending level because there are few goods and services which can be locally purchased. They must be purchased outside.

In the Algonquin impact area about 35% of tourist-oriented sales is respent locally on goods and services by employees and proprietors (as consumers), and an additional 15% is spent with other local businessmen (as businesses). 70% of salaries are respent locally according to a combination of studies, opinions and discussions. This cannot be exactly determined without an extensive survey.

Usually 27% is the level of the respending for local salaries, wages and proprietary items. But the multiplier is very high in the first round of tourist expenditures, 33% - 37%, because the impact of tourist spending is felt in the labour intensive areas catering to tourism

such as restaurants, hotels, motels, entertainment and other personal services. This is based on surveys, limited questionnaire responses, observation and the consultant's experience.

Youth camps and lodges have similar expenditure patterns; small local purchases and subsequent minor respending. Major items are not locally stocked and must be bought in Toronto, or elsewhere. This almost mirrors the retail appearance of the area from Huntsville to the west gate of the park, which is made up of small retail outlets dealing in small inexpensive and readily stocked items oriented chiefly to the passing tourist trade.

Table 17 is the Tourism, Cottager and Youth Camp multiplier. This only covers what is spent in the way of purchases by tourists, cottagers and camp employees. The campers themselves generally spend money in camp tuck shops, canteens, etc. so that their local impact is negligible.

The subsequent rounds of expenditure follow routine patterns because the spending are following local living

rather than tourism patterns. The visitor multiplier of 1.51 is within normal standards and perhaps lower than anticipated, however, there are few facilities other than retailers in the area. The multiplier in Table 18 is lower but studies of government and forest industry expenditure patterns show 1.41 which reflects the lower labour intensive service component in normal spending pattern. Basically this section is concerned with the local impact of employee spending, not that of industry capital expenditure.

Table 17

Determination of Tourism Cottager & Youth Camp Generated Local Income Multiplier

Phase 1 Hypothetical Local Sales of $1,000			
	35% to Local Salaries, Wages & Proprietors Income		$350
	15% to other local vendors	$150	
	70% of $350 personal income respent	245	
	Total Phase 1 Respending	395	
Phase 2 Sales from Phase 1 $395			
	27% to Local Salaries, Wages & Proprietors Income		107
	15% to other local vendors	59	
	70% of $107 personal income respent	75	
	Total Phase 2 Respending	134	
Phase 3 Sales from Phase 2 $134			
	27% to Local Salaries, Wages & Proprietors Income		36
	15% to other local vendors	20	
	70% of $36 personal income respent	25	
	Total Phase 3 Respending	45	
Phase 4 Sales from Phase 3 $45			
	27% to Local Salaries, Wages & Proprietors Income		12
	15% to other local vendors	7	
	70% of $12 personal income respent	8	
	Total Phase 4 Respending	15	
Phase 5 Sales from Phase 4 $15			
	27% to Local Salaries, Wages & Proprietors Income		4
	15% to other local vendors	2	
	70% of $4 personal income respent	3	
	Total Phase 5 Respending	5	
Phase 6 Sales from Phase 5 $5			
	27% to Local Salaries, Wages & Proprietors Income		1
	15% to other local vendors	1	
	70% of $1 personal income respent	1	
	Total Phase 6 Respending	2	
Total			$ 510

Multiplier = 1,000 + 510 1.510 say 1.51

Source: KCAL

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Table 18

Determination of Government & Forest
Industry Generated Local Income Multiplier

Phase 1	Hypothetical Local Sales of $1,000		
	27% to Local Salaries, Wages & Proprietors Income		$270
	15% to other local vendors	$150	
	70% of $270 personal income respent	189	
	Total Phase 1 Respending	339	
Phase 2	Sales from Phase 1 $339		
	27% to Local Salaries, Wages & Proprietors Income		92
	15% to other local vendors	51	
	70% of $92 personal income respent	64	
	Total Phase 2 Respending	115	
Phase 3	Sales from Phase 2 $115		
	27% to Local Salaries, Wages & Proprietors Income		31
	15% to other local vendors	17	
	70% of $31 personal income respent	22	
	Total Phase 3 Respending	39	
Phase 4	Sales from Phase 3 $39		
	27% to Local Salaries, Wages & Proprietors Income		11
	15% to other local vendors	6	
	70% of $11 personal income respent	8	
	Total Phase 4 Respending	14	
Phase 5	Sales from Phase 4 $14		
	27% to Local Salaries, Wages & Proprietors Income		4
	15% to other local vendors	2	
	70% of $4 personal income respent	3	
	Total Phase 5 Respending	5	
Phase 6	Sales from Phase 5 $5		
	27% to Local Salaries, Wages & Proprietors Income		1
	15% to other local vendors	1	
	70% of $1 personal income respent	1	
	Total Phase 6 Respending	2	
Total			$409

Multiplier = 1,000 + 409 1.409 say 1.41

Source: KCAL

KCAL

Table 19

Summary

Description	Local Income (000's)		Multiplier	Total Local Impact (000's)		Total Ontario Income (000's)		Multiplier	Total Ontario Impact	
Cottagers	260		1.51	390		350		2.5	880	
Youth Camps	240		1.51	360		690		2.5	1,730	
Campers	940		1.51	1,420		1,350		2.5	3,380	
Day Visitors	80		1.51	120		120		2.5	300	
Other Day Visitors	960		1.51	1,450		1,380		2.5	3,450	
Tourism		2,480			3,740		3,890			9,740
Forest Industry		9,357	1.41		13,190		16,480	2.5		41,200
Government		270	1.41		380		340	2.5		850
Total Impact					17,310					51,790

Source: KCAL

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